

1 **CONCURRENT RESOLUTION ON FEDERAL GOVERNMENT**

2 **PAYMENTS IN LIEU OF TAXES**

3 2020 SIXTH SPECIAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Keven J. Stratton**

6 Senate Sponsor: _____

8 **LONG TITLE**

9 **General Description:**

10 This concurrent resolution addresses federal government payments in lieu of taxes.

11 **Highlighted Provisions:**

12 This resolution:

13 ▶ identifies \$534 million as the minimum current annual property tax equivalency for all
14 federal lands in the state of Utah, under the lowest, fair property tax equivalency
15 scenario, compared to the less than \$41 million that the state received for 2019;

16 ▶ addresses the history of federal government payments in lieu of taxes (PILT),
17 expresses appreciation for all PILT money paid to the state, but addresses the
18 inadequacy of those payments;

19 ▶ refers to new technology that enables a more accurate determination of the property
20 tax equivalency value of all federal lands in the state;

21 ▶ calls on Congress and the President to fund PILT payments to Utah for 2020 at the
22 full property tax equivalency amount of \$534 million at a minimum;

23 ▶ calls upon federal officials to coordinate expeditiously with Utah and other willing
24 states to ensure that future PILT payments are permanently made on a full property
25 tax equivalency basis;

26 ▶ calls on federal officials to collaborate with Utah's congressional delegation and state
27 and local officials to allow greater state management and local control of the federal



28 land within Utah municipalities in order to stabilize fluctuating economic conditions;
 29 ▶ calls upon local, state, and national leaders and others to come together to secure the
 30 full and fair property tax equivalency of PILT for all western states and the nation;
 31 and
 32 ▶ directs that a copy of this resolution be sent to federal, state, and local officials and
 33 others.

34 **Special Clauses:**

35 None

36

37 *Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:*

38 WHEREAS, \$534 million is the current annual property tax equivalency for all federal
 39 lands in the state of Utah, under the lowest, fair property tax equivalency scenario, compared to
 40 the less than \$41 million that the state received for 2019;

41 WHEREAS, technology now exists to more accurately determine the property tax
 42 equivalency value of all federal lands in the state;

43 WHEREAS, when the federal government changed its public lands policy in 1976 from
 44 one of disposal to one of retention, Congress agreed to make payments in lieu of taxes (PILT) "to
 45 make up for the presence of nontaxable land" (Congressional Research Service) on a "tax
 46 equivalency" (USDA) basis;

47 WHEREAS, tax equivalency means the amount "that would have been received by these
 48 jurisdictions if the federal lands were privately owned" (Government Accountability Office);

49 WHEREAS, the federal commitment to pay the property tax equivalency for PILT is vital
 50 for Utah's children and communities and is particularly important during periods of fluctuating
 51 economic conditions;

52 WHEREAS, Utah appreciates every dollar of PILT money received, yet the harsh reality
 53 is that current PILT is less than 8% of the lowest, fair property tax equivalency value, resulting in
 54 exponentially compounding depressive impacts on funding for education and essential government
 55 services, including first responder services, the construction of roads, schools, and other
 56 infrastructure, and search and rescue services;

57 WHEREAS, the current fluctuating economic conditions have intensified this structural
 58 burden borne by Utah citizens and communities to fund education and all other government

59 services with less than 21% taxable land;

60 WHEREAS, the minimum current annual amount required to satisfy the property tax
61 equivalency commitment for PILT to Utah's citizens, communities, and schoolchildren is \$534
62 million, calculated as follows:

63 a. \$131 million is the current property tax equivalency amount for the 217,000 acres of
64 nontaxable U.S. Forest Service (USFS) and Bureau of Land Management (BLM) land entirely
65 within Utah municipal limits;

66 b. \$228 million is the current property tax equivalency amount for the 441,000 acres of
67 nontaxable USFS and BLM land within one mile of Utah municipal limits; and

68 c. \$175 million is the current property tax equivalency amount for all nontaxable federal
69 lands subject to PILT beyond one mile of Utah municipal limits; and

70 WHEREAS, by unanimous vote, the Utah Legislature, with the Governor concurring,
71 charged the Utah Federalism Commission with overseeing the development of a federal land
72 valuation model, together with the review and analysis of applicable studies and materials
73 pertaining to the property tax equivalency of PILT, which together led to the findings and
74 conclusions set forth in this resolution:

75 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
76 Governor concurring therein, calls upon the Congress of the United States and the President of
77 the United States to pay at a minimum \$534 million as the payment in lieu of taxes for 2020 on a
78 full property tax equivalency basis, as committed at the inception of the PILT program, calculated
79 as follows:

80 a. with respect to the more than 217,000 acres of nontaxable federally managed lands
81 located inside of Utah municipal boundaries, the property tax equivalency amount of \$131 million;

82 b. with respect to the more than 441,000 acres of nontaxable federally managed lands
83 that are within one mile of Utah municipal boundaries, the property tax equivalency amount of
84 \$228 million; and

85 c. with respect to the balance of the nearly 33 million acres of nontaxable federally
86 managed lands in the state of Utah, the property tax equivalency amount of \$175 million.

87 BE IT FURTHER RESOLVED that the Legislature of the state of Utah, the Governor
88 concurring therein, calls upon the Congress of the United States and the President of the United
89 States to coordinate expeditiously and in good faith with Utah and other willing states to adopt

90 such laws, regulations, and policies as are necessary to ensure that all future PILT payments are
91 permanently made on a full property tax equivalency basis.

92 BE IT FURTHER RESOLVED that the Legislature of the state of Utah, the Governor
93 concurring therein, calls upon the Congress of the United States, the President of the United
94 States, and the relevant federal administrative agencies, in light of the current fluctuating
95 economic conditions Utah faces, to collaborate in a timely and good faith manner with Utah's
96 congressional delegation and with state and local leaders to allow greater state management and
97 local control of the 217,000 acres of federal land within Utah municipal limits, which amount to a
98 small fraction of the 33 million acres of nontaxable federally managed lands within the state of
99 Utah, for the purpose of stabilizing fluctuating economic conditions.

100 BE IT FURTHER RESOLVED that the Legislature of the state of Utah, the Governor
101 concurring therein, calls upon all people of good will and local, state, and national leaders to come
102 together to secure the full and fair property tax equivalency of PILT for our children and our
103 communities throughout all western states and the entire nation.

104 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the President of
105 the United States, the Vice President of the United States, the Majority Leader and Minority
106 Leader of the United States Senate, the Speaker and Minority Leader of the United States House
107 of Representatives, each member of the Utah congressional delegation, the Governors, the Senate
108 Presidents, and Speakers of the House of every state with more than 20% federally controlled
109 lands, the county governing council and executive of every county within those states, and the
110 National Association of Counties and the Western Governors Association.